



Logistics Domain

Portfolio Management

Presented by: Beth Cox

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The Logistics Domain Objective

A DoD logistics enterprise able to support rapid, agile deployment, employment, and sustainment of the Total Force across the full spectrum of operations in the cost-effective manner.



Quadrennial Defense Review (QDR)

"Logistics... is the foundation of combat power."

Joint Doctrine Capstone and Keystone Primer

Logistics Domain Owner Responsibilities



- For the PfM process to be effective, it must be deployed upon a solid foundation or Business Enterprise Architecture for the Logistics Domain (BEA-Log). In its role as the Logistics Domain Owner, the Logistics Systems Management (LSM) office has multiple responsibilities:
 - Leading business transformation;
 - Establishing and maintaining a governance process to ensure representation of the Services, Defense Agencies, DoD Field Activities, and appropriate Federal agencies;
 - Performing systems reviews and approving initiative funding as part of portfolio management;
 - Developing the architecture;
 - Enforcing compliance with the Business Enterprise Architecture and transition plan;
 - Guiding execution activities;
 - Representing the Domain on cross-Domain issues
- In this context, the LSM office manages the portfolio of logistics business systems for the Department of Defense and, thereby, influences investment decisions of the future.



Defining Portfolio Management

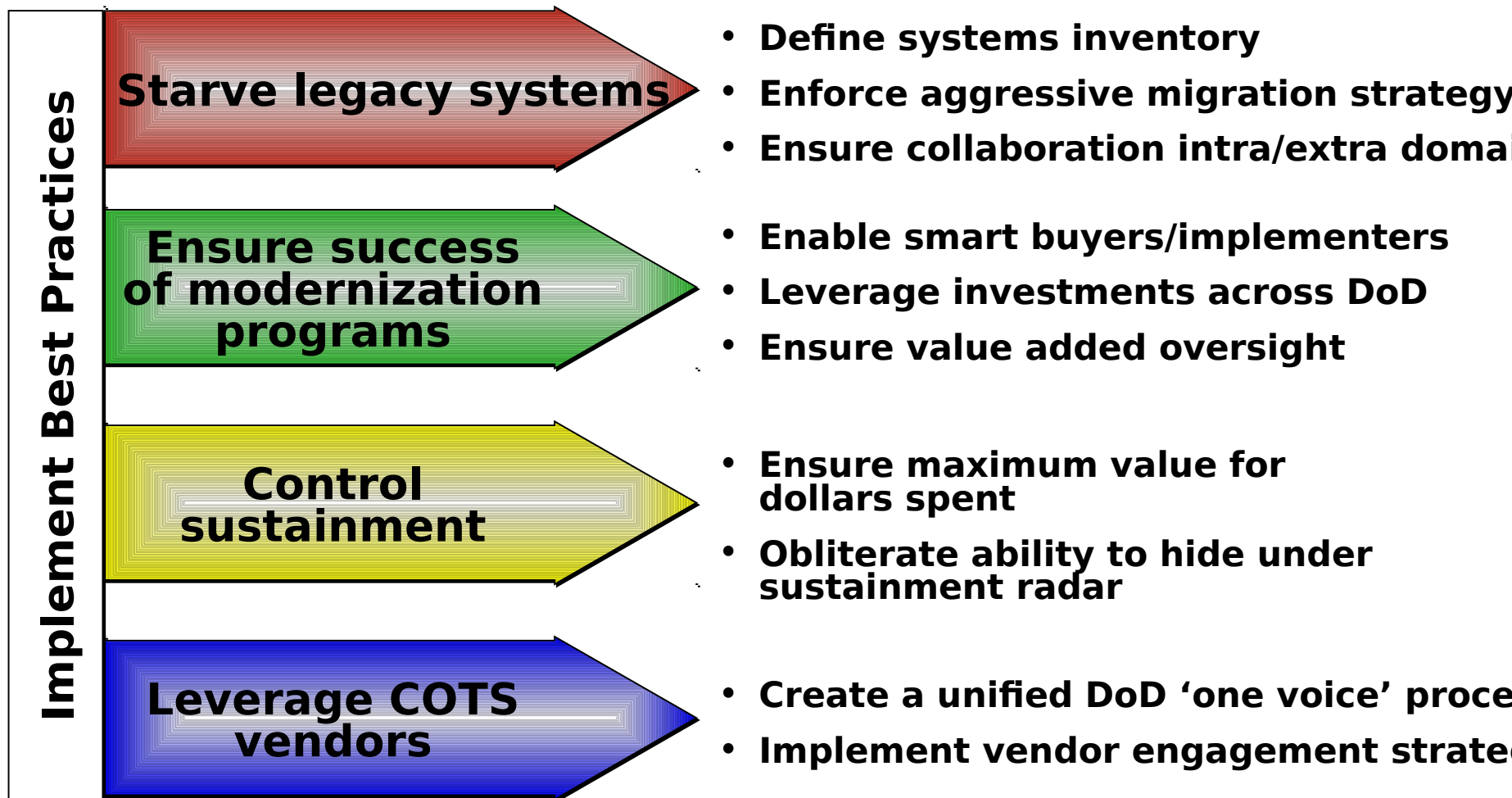
- Policy assigning responsibilities for managing IT investments as portfolios signed by DepSecDef on 22 March 2004
 - OSD PSAs directed to establish a repeatable IT portfolio management process and governance structure
 - Portfolio management process required to comprise the following activities: Analyze, Select, Control, Evaluate
- Draft MID 918, currently in coordination, directs a governance framework to manage Department investments as portfolios within the GIG
 - Domains identify and prioritize investments within the mission area to ensure capability and resource requirements are met
 - Domains establish repeatable, fact-based processes for oversight of portfolios
- NII is developing a detailed instruction on portfolio management execution to be release for coordination upon approval of the MID.

Logistics Portfolio Management Vision/Mission



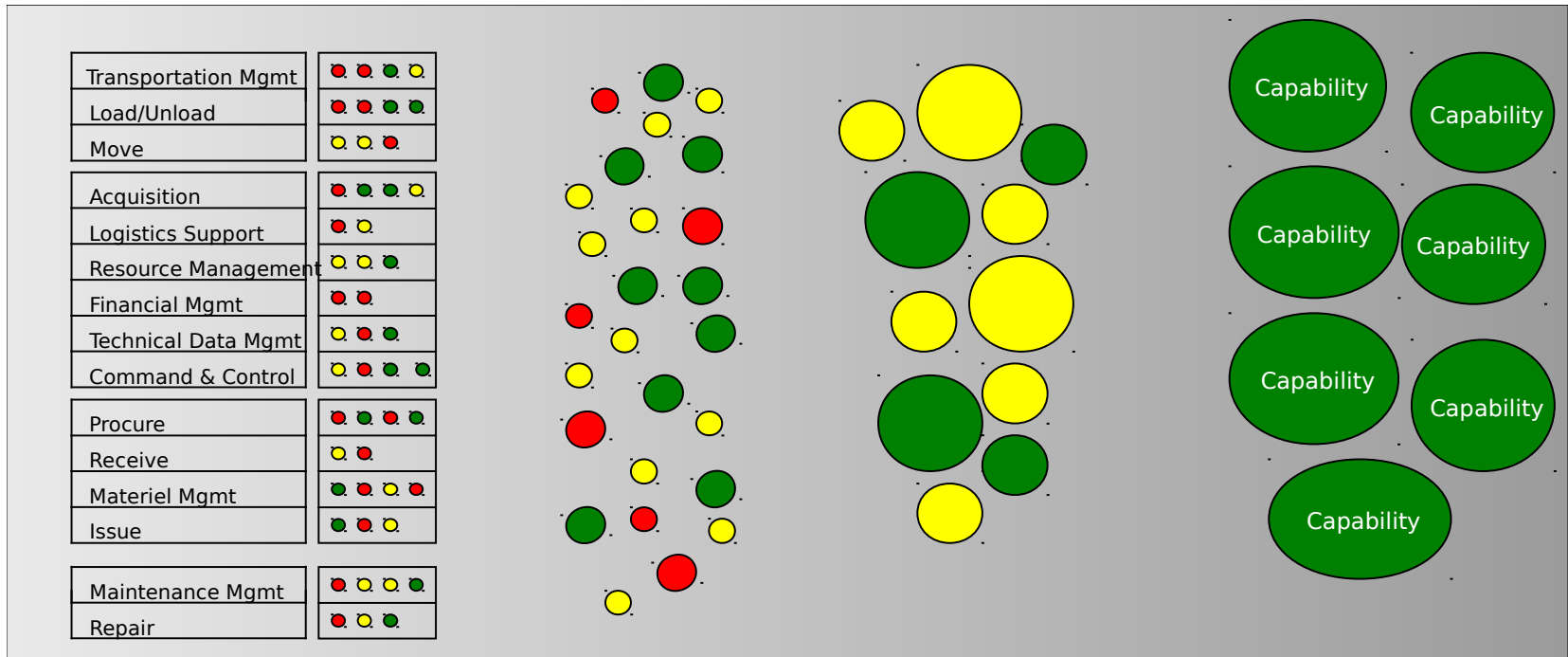
To gain perspective on DoD logistics business systems investments and drive alignment of the portfolio with DoD's strategic direction.

Logistics Domain Portfolio Management Strategy to Ensure Results





Logistics System Migration



- Implementing a capability-driven migration strategy
- Driving a Component SV-8 (migration strategy)
- Creating a Domain SV-8 (migration strategy)

Executing a 'top-down'/'bottom-up' approach to defining the way a



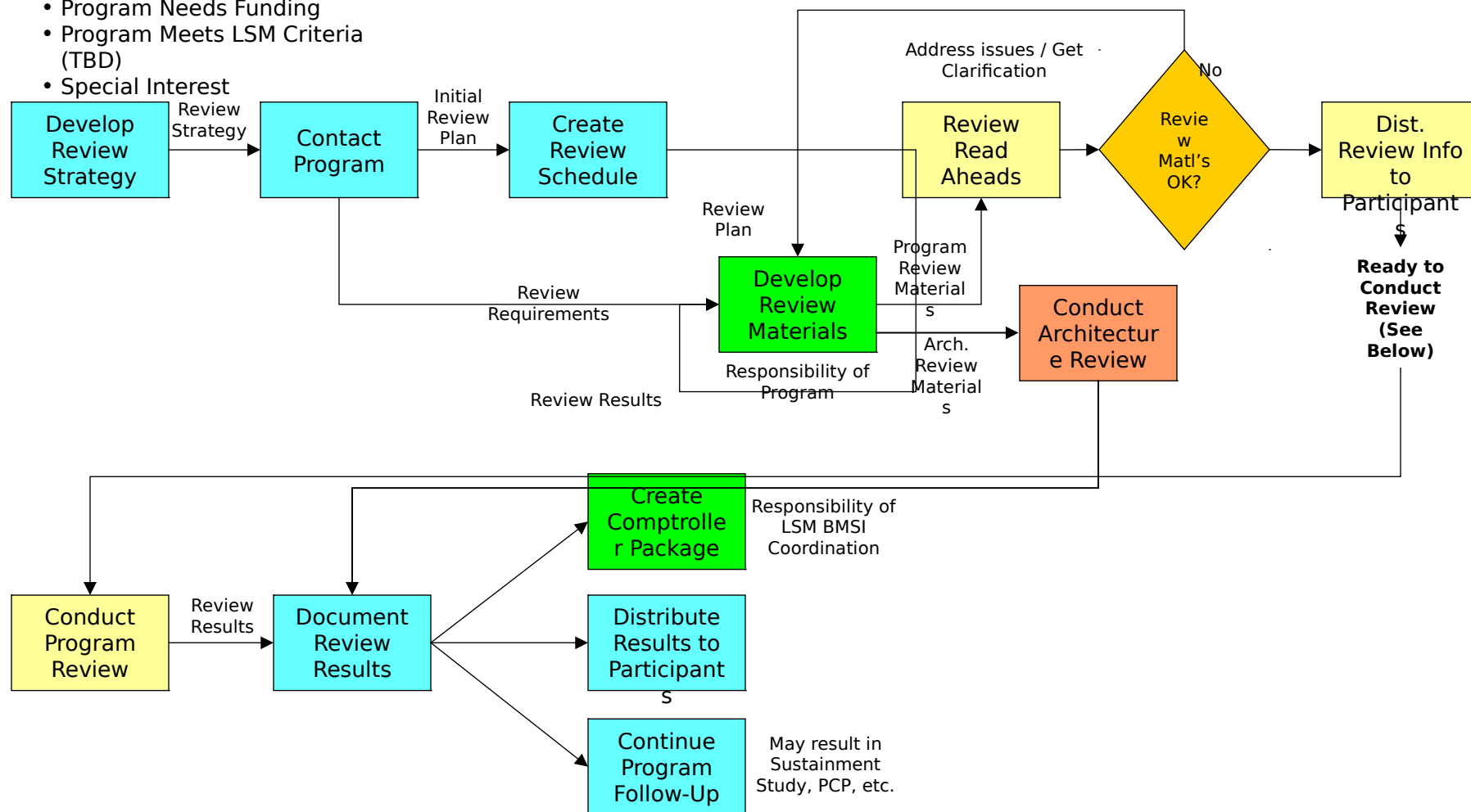
Portfolio Management Process Overview



Domain Advocacy Review Process

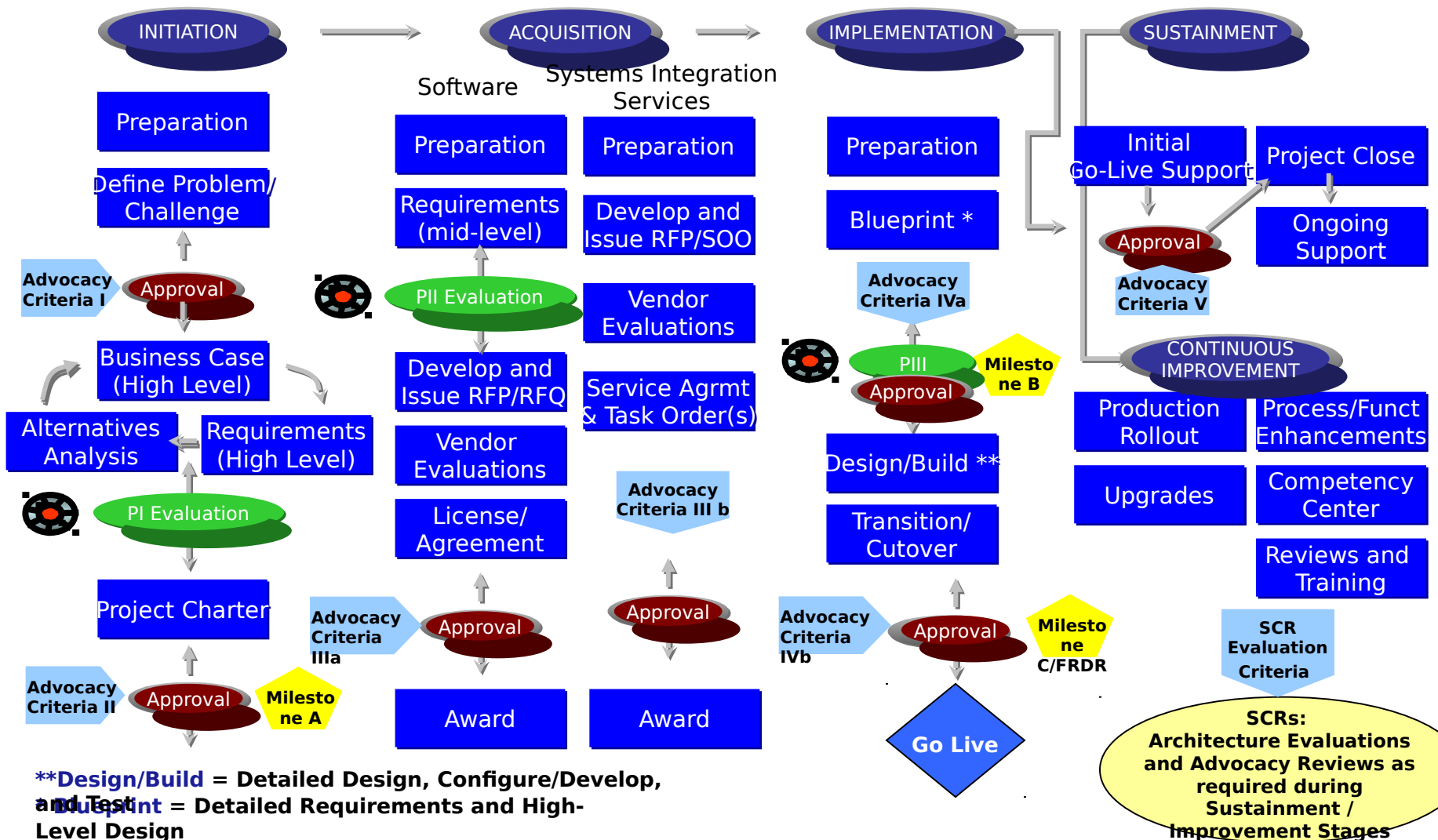
Reasons for Review:

- Program Needs Funding
- Program Meets LSM Criteria (TBD)
- Special Interest



On-going guidance and support

Domain Advocacy Aligned to the EI Toolkit



Logistics Domain Portfolio Management 2003 Successes



- Eliminated/turned off 957 systems across the Logistics Community:
 - 576 as a result of Y2K
 - 381 as a result of Domain System Realignment And Categorization (SRAC) guidance
- Detailed Program Reviews of 28 major systems within the Logistics Portfolio valued at over \$10B over the FYDP
 - Specific program recommendations executed through IIPT/OIPT reviews, PPBS, and with component PEO/stakeholder
- Completed sustainment study that identified available annual savings of \$20M
- Realigned over \$250M across the FYDP to accelerate realization of the architecture
- Established repository with detailed information for approximately 3000 Logistics Portfolio Systems

Our continued focus on the execution of our strategy will drive further results. This is just the beginning!